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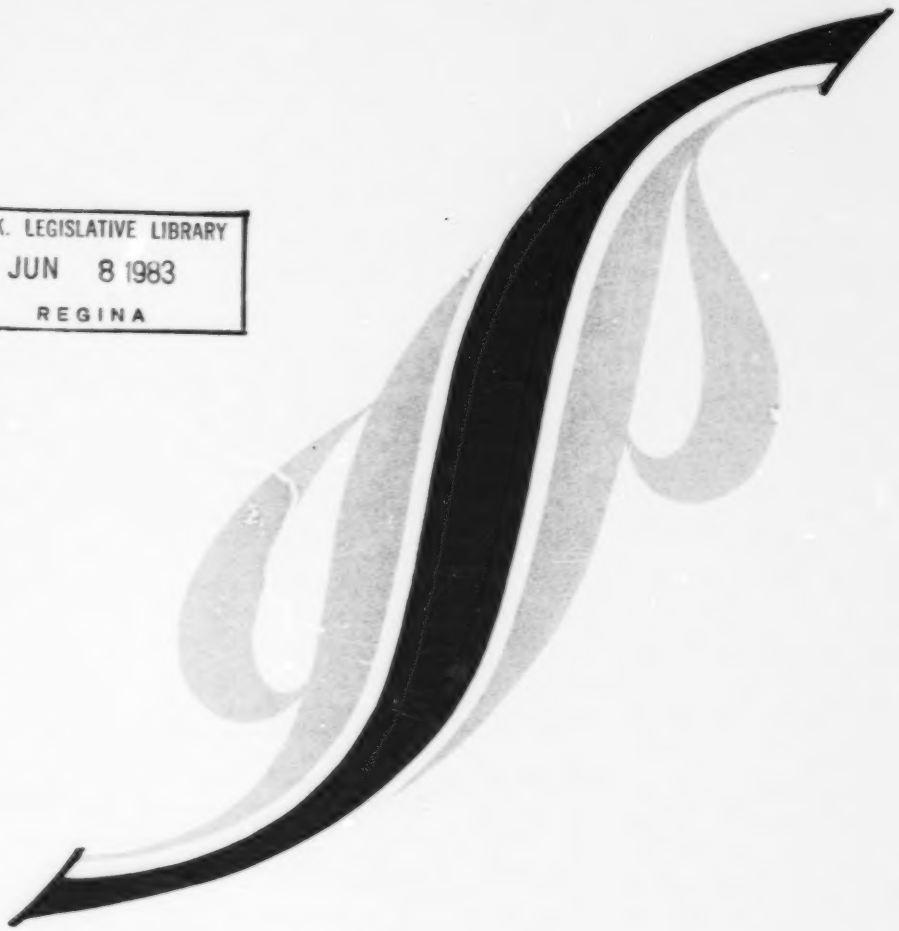


1982 ANNUAL REPORT

Saskatchewan Government Printing Company

ANNUAL REPORT

of

The Saskatchewan Government Printing Company

of the

PROVINCE OF SASKATCHEWAN

for the

Year ending December 31, 1982

Regina, Saskatchewan
March, 1983

To His Honour,
The Honourable C. Irwin McIntosh,
Lieutenant Governor of the Province of Saskatchewan.

Sir:

I have the honour to submit herewith the annual report of The Saskatchewan Government Printing Company for the year ending December 31, 1982 including the financial statements therefor, duly certified by the Provincial Auditor and in the form approved by the Treasury Board, all in accordance with The Crown Corporations Act, 1978.

I have the honour to be, Sir,

Your obedient servant,

Joan H Duncan

JOAN DUNCAN
Chairman and Minister responsible for
The Saskatchewan Government Printing Company

THE SASKATCHEWAN GOVERNMENT PRINTING COMPANY

1982

BOARD OF DIRECTORS

HONOURABLE J. H. DUNCAN	–	Chairman
MR. A. CARR	–	Director
MR. D. B. BREHER, General Manager		
MR. R. ULRICH, Secretary to the Board		

GENERAL MANAGER'S REMARKS

This is the thirty-seventh annual report of the Saskatchewan Government Printing Company and covers the operation for the year ending December 31, 1982.

The Saskatchewan Government Printing Company was established under The Crown Corporations Act of 1945 to operate a general job printing and book binding business. During the past year we produced 2,859 jobs resulting in approximately 2,679,000 dollars in business volume.

1982 did not follow traditional trends right from January to December. We experienced the highest and one of the lowest sales volume months in the company's history. Recessionary trends in the year demanded essential operating adjustments in order to keep our overhead down to be more compatible with our sales volume. We will be able to maintain a reduction in overhead and capital expenditures due to our staff experience, as well as equipment capacity and quality levels.

Saskatchewan Government Printing Company met the challenge of recession with flexibility in order to maintain productivity and reduce expenses, this resulted in the largest profit in the company's history.

1983 is expected to be even more challenging, and Saskatchewan Government Printing Company is ready, willing, and able to meet whatever challenges arise.

D Breher

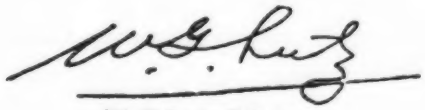
Don Breher, General Manager
Saskatchewan Government Printing Company

AUDITOR'S REPORT

To the Members of the Legislative Assembly
of the Province of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Government Printing Company as at December 31, 1982 and the statements of operations and retained earnings and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Government Printing Company as at December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
March 4, 1983.

W. G. Lutz, F.C.A.,
Provincial Auditor.

SASKATCHEWAN GOVERNMENT PRINTING COMPANY

STATEMENT OF FINANCIAL POSITION

As at December 31

	1982	1981
Assets		
Current Assets:		
Cash	$ 79,351	$ 149,504
Short Term Investment (Note 3)	200,000	—
Accounts receivable	475,029	693,467
Inventory (Note 4)	461,968	432,784
	1,216,348	1,275,755
Property, plant and equipment (Note 5)	1,448,293	1,293,921
	$ 2,664,641	$ 2,569,676
Liabilities and Provinces Equity		
Current Liabilities:		
Accounts payable	$ 203,555	232,301
Deposits (Note 10)	43,966	—
Dividend Payable	85,000	—
	332,521	232,301
Long term debt — Crown Investments Corporation of Saskatchewan (Note 8)	200,000	525,000
	532,521	757,301
Province of Saskatchewan's Equity:		
Advances from Crown Investments Corporation of Saskatchewan (Note 6)	2,126,263	1,864,269
Retained Earnings (Deficit)	5,857	(51,894)
	2,132,120	1,812,375
	$ 2,664,641	$ 2,569,676

(See accompanying notes)

SASKATCHEWAN GOVERNMENT PRINTING COMPANY

STATEMENT OF OPERATIONS AND RETAINED EARNINGS

Year Ended December 31

	1982	1981
Revenue		
Sale of printing services	$ 2,678,769	$ 2,522,658
Expenses		
Operating costs, other than those listed below	1,781,056	1,678,700
General and administration	592,630	527,827
Depreciation	131,937	117,638
Interest	30,395	86,275
	2,536,018	2,410,440
Net Profit	142,751	112,218
Retained Earnings (deficit), beginning of year	(51,894)	(164,112)
Dividend	(85,000)	—
Retained Earnings (deficit), end of year	$ 5,857	$ (51,894)

(See accompanying notes)

SASKATCHEWAN GOVERNMENT PRINTING COMPANY

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended December 31

	1982	1981
Source of funds:		
Operations		
Net profit	$ 142,751	$ 112,218
Items not requiring a cash outlay		
— Depreciation	131,937	117,638
— Loss (gain) on disposal of equipment	(27,140)	2,076
	247,548	231,932
Long term loan from Crown Investments Corporation of Saskatchewan	—	600,000
Advances from Crown Investments Corporation of Saskatchewan	261,994	123,738
Proceeds from disposal of equipment	30,678	23,261
	540,220	978,931
Use of funds:		
Repayment of portion of long term loan	325,000	75,000
Purchase of property, plant and equipment	289,847	124,360
Dividend payable to Crown Investments Corporation of Saskatchewan	85,000	—
	699,847	199,360
Increase (decrease) in working capital	(159,627)	779,571
Working capital, beginning of year	1,043,454	263,883
Working capital, end of year	$ 883,827	$ 1,043,454

(See accompanying notes)

SASKATCHEWAN GOVERNMENT PRINTING COMPANY

NOTES TO FINANCIAL STATEMENTS

December 31, 1982

1. *Accounting Policies*

(a) Property, plant and equipment

Fixed assets are initially recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Depreciation is provided on the basis and at the rates set out below. It is expected that these procedures will charge operations with the total cost of the assets over the useful life of the assets. Gains or losses on disposal of individual assets are recognized in income in the year of disposal.

Assets	*Depreciation Basis*	*Rate*
Building	Straight line	2½%
Equipment	Straight line	10%
Photocomposition equipment	Straight line	20%
Office, furniture, fixtures	Straight line	5%
Computer equipment	Straight line	20%

(b) Inventory

Inventory includes printing supplies and work-in-progress. Supplies are valued at lower of cost and replacement cost. Work-in-progress is valued at the lower of cost and net realizable value. This includes an assignment of direct and indirect printing costs. The valuation of work-in-progress limits the assigned value to a maximum of the recoverable sales. Income is recognized at the completion of the work order.

2. *Status of Corporation*

The Saskatchewan Government Printing Company was established by Order-in-Council 859 in June of 1945 and continued under the provisions of The Crown Corporations Act, 1978. The accounts of the Company are consolidated in the annual financial statements of the Crown Investments Corporation of Saskatchewan.

3. *Short-term Investment*

During the year the company opened an interest bearing deposit account with the Crown Investments Corporation of Saskatchewan. At the year end the balance on this account was $200,000 and was payable on demand.

4. *Inventory*

	1982	1981
Paper supplies inventory	$ 208,821	$ 195,538
Other supplies inventory	62,294	78,776
Work-in-progress material	17,343	23,880
Work-in-progress labour and overhead costs	173,510	134,590
	$ 461,968	$ 432,784

5. *Property, Plant and Equipment*

	1982			1981
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	$ 121,875	$ —	$ 121,875	$ 121,875
Building	905,195	148,403	756,792	777,522
Equipment	1,090,094	642,248	447,846	258,777
Photocomposition equipment	156,695	56,035	100,660	109,498
Office, furniture, fixtures	14,781	4,091	10,690	10,683
Computer equipment	26,009	15,579	10,430	15,566
	$ 2,314,649	$ 866,356	$ 1,448,293	$ 1,293,921

6. *Advances from Crown Investments Corporation of Saskatchewan*

These advances are non-interest bearing and are repayable at the discretion of Crown Investments Corporation of Saskatchewan. The Company received advances of $261,994 (1981 — $123,738) during the year.

7. *Remuneration of Directors and Senior Officers*

The two senior officers of Saskatchewan Government Printing Company received remuneration for the 1982 year in the amount of $98,846 (1981 — $82,059). The Company's seven (1981 — seven) directors received $750 as remuneration during 1982 (1981 — $2,950).

8. *Long Term Debt*

Effective June 1, 1981 the outstanding demand loan from Crown Investments Corporation of Saskatchewan was converted to a long-term loan with repayment due on June 1, 1986 and interest payable semi-annually at 14.0% per annum. Saskatchewan Government Printing Company has the option to repay this loan in full or in part before June 1, 1986 without any penalties.

9. *Related Party Transactions*

Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan Crown controlled departments, agencies and corporations with which the corporation is related.

Account balances resulting from these transactions are included in the Statement of Financial Position and are settled on normal trade terms.

Other amounts due to related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

10. *Deposits*

Certain customers have prepaid the cost of the materials to be used for specific orders. The deposits represent the difference between the cash received from the customers and the materials used to date for those specific orders.